

AGREEMENT

BETWEEN

ILLINOIS POWER COMPANY

AND

LABORERS INTERNATIONAL UNION OF NORTH AMERICA

LOCAL UNION 459, AFL-CIO

EFFECTIVE JULY 1, 2000 TO JUNE 30, 2004

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AGREEMENT

This Agreement, made and entered into this 21st day of August, 2000, by and between Illinois Power Company, hereinafter referred to as the "Company," and Laborers International Union of North America, Local Union 459, AFL-CIO of Belleville, Illinois, hereinafter referred to as the "Union," WITNESSETH:

WHEREAS, the Company is engaged in furnishing an essential public service which vitally affects the health, safety, comfort and general well being of a large number of people in the many communities furnished gas service by the Company, and

WHEREAS, the very existence of the Company is conditioned upon carrying out its obligations and responsibilities to the public served, and

WHEREAS, this responsibility to the public is a mutual responsibility of employees and management which requires that any disputes arising between the employees and management be settled in an orderly way without interruption of gas service, and

WHEREAS, both parties to this Agreement hereby recognize this mutual responsibility of service to the public.

NOW, THEREFORE, in furtherance of harmonious relations among employees, the management and the public, it is mutually agreed by the parties hereto that there shall be no strike or lockout during the term of this Agreement and this mutually agreed covenant shall continue through the future relations between the parties hereto. It is further mutually agreed by the parties hereto that in connection with the negotiations for the renewal of this Agreement, in case terms and conditions for its renewal have not been successfully concluded prior to the expiration date of same, the Union agrees that in case of emergency such as leaks, broken mains or services, that the employees within the bargaining unit represented by the Union shall promptly do all work under the jurisdiction of Local #459 to restore service to consumer's premises.

The parties hereby reaffirm and agree that they will not discriminate against any individual with respect to his or her compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, age, or national origin, and they further reaffirm and agree that they will not limit, segregate, or classify employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee because of such individual's race, color, religion, sex, or national origin. It is understood, however, that nothing herein shall constitute a waiver of any defenses accorded to either party under the Civil Rights Act of 1964 or any other law, whether State or Federal, relating to discrimination in employment. Wherever in the Agreement the term 'his' appears in reference to an employee or the use of 'man' in any title such as Foreman, it shall be deemed to include both male and female.

It is further agreed as follows:

SECTION 1 TERRITORIAL JURISDICTION

The jurisdiction of this Agreement shall cover the territory served by the Belleville Operating District.

SECTION 2 RECOGNITION

The Company recognizes the Union as the sole and exclusive collective bargaining representative for the purpose of wages, hours, and other conditions of employment for all employees within the scope of this Agreement in its employ within the Belleville Operating District. Employees for whom the Union is so recognized shall hereafter be called "Employees" when referred to collectively, and "Employee" when referred to individually.

SECTION 3 UNION SECURITY

It is mutually agreed that membership in good standing in the Union shall be a condition of employment under this Agreement and that new employees shall become members of the Union on the 30th day of employment. Upon receipt of written notice from the Union that an Employee has failed to become or remain a member of the Union in good standing by failing to tender dues or initiation fees uniformly required, the Company shall discharge such employee.

The Company will deduct and remit monthly to the Union, dues required of such employees as certified by a duly authorized representative of the Union, provided such deduction is authorized in writing by the individual employee. Such deduction shall continue from year to year unless written notice of cancellation is given to the Union and the Company during the month of June in each calendar year. The deduction authorization form shall be mutually agreed upon.

SECTION 4 REFERRAL OF APPLICANTS

The Company will notify the Union of all job vacancies and job openings within the unit covered by this Agreement and in the classifications of work and personnel over which the Union has jurisdiction and representation in order that the Union may make referral of applicants for vacancies and job openings. Future employment needs will be satisfied in accordance with Section 17. The Locals will submit multiple candidates for consideration who will be subject to the following process:

- Must successfully complete a physical exam
- Must successfully complete a drug and alcohol screening
- Must successfully complete all pre-employment testing requirements.
- Must reside within thirty (30) minutes of the headquarters.

The Company will not circumvent the Union's exclusive right of referral by recruiting applicants from any other source or by recruiting directly. However, in the event the Union fails to furnish any applicants for any vacancy or opening, or in the event none of the applicants furnished by the Union is acceptable to the Company and the Union fails to furnish additional applicants, then the Company may recruit applicants from any other source.

The Union agrees that selection of applicants for referral to jobs shall be on a non-discriminatory basis and shall not be based on, or in any way affected by Union membership, by-laws, rules, regulations, constitutional provisions or any other aspect or obligation of union membership, policies, or requirements.

The Employer retains the right to reject any job applicant referred by the Union, and the Employer's exclusive prerogative of hire shall not in any way be deemed to be impinged upon by the exclusive right of the Union to make referral of applicants for employment.

New employees, or re-employed employees whose seniority has been terminated, shall serve a six (6) continuous months probationary period with the Company and during such period the Company shall have the right to discharge for its own reasons or rehire such employees. Employees who are continued in the service of the Company after said probationary period shall be immediately credited with six (6) months seniority.

The Union and its agents in making referral of applicants shall utilize objective standards and shall not pass upon the competence of available applicants, and, further shall not violate the rights of employees set forth in Section 7 or the limitations in Section 8 (a)(3) and 8 (b)(2) of the Labor Management Relations Act, as amended.

The foregoing Sections shall be posted by the Company at its premises where notice to Employees and applicants for employment are customarily posted and shall be posted by the Union at its offices in customary places where notices to applicants for referral are posted.

SECTION 5 RIGHTS OF COMPANY

It is recognized by the parties hereto that in the operation of the gas property of the Company, on account of the responsibility to at all times furnish a safe and adequate supply of gas to the territory served by the Belleville Operating District, and its inhabitants, that there can be no division of this responsibility and it is agreed that the Company therefore, must be unhampered in the selection of its Employees.

SECTION 6 REDUCTION IN FORCES

When making reduction in forces, Employees most recently hired shall be laid off first. When adding to such forces, those most recently laid off shall be the first to be reemployed, if available, providing that qualifications for the particular proposed employment are sufficient and providing Employee is physically fit to return to work. Employees so laid off will be recalled for up to thirty-six (36) months.

In case of layoff employees will be notified five (5) days prior to the date of layoff.

successfully complete the Gas Apprentice Program or Meter Changer Training, the employee may return to his/her former position.

When the classification of Utilityperson is utilized, its duties shall include general maintenance duties around the building and delivery of minor materials.

B. Filling of vacancies above the journeyman classification will be based on ability and qualifications. Ability and qualifications include, but are not limited to, safety record, leadership experience, above average individual performance, range of experience, and employee desire. If two or more employees are equal in ability and qualifications, seniority shall prevail. The Company shall not be required to consider a journeyman for promotion to higher-rated positions until they have worked for the Company in the journeyman classification for at least three (3) years. This does not restrict the Company's right to assign work to any qualified employee. Employees interested in leadership positions must successfully complete the leadman skills evaluation.

The position of Gas General Foreman will be filled through mutual agreement between the Company and Union.

SECTION 9 PAY FOR REMAINING ON JOB

When an employee has been required to report for a regular days work and is released at the employee's request because of weather conditions, he shall be paid up to time of release with a minimum of two (2) hours pay. This time shall be paid at the applicable rate.

SECTION 10 UNION AND COMPANY COOPERATION

The Union as collective bargaining representative of the employees within the bargaining unit agrees that the Company's rules and regulations will be fully complied with in the interests of safety, economy and continuity of service to the public. The Union will not engage in subterfuge for purpose of defeating or evading the provisions of this Agreement.

It is expressly agreed that the Company during the term of this Agreement and supplemental renewals, will make no agreement with any other union or organization covering the classifications of work provided for herein.

SECTION 11 SECURITY

While the Unions (459 & 101) and Company recognize that increases or reductions in the number of department employees may occur in the future, depending on workload, the Company shall strive to maintain a equal ratio of employees from each Local Union. Once the ratio is equal, the Unions shall refer employees in an alternating fashion.

It is the intent of the parties hereto that an entity which becomes a legal successor to the Company shall have the duty to bargain with the locals representing the Company's employees in the units covered herein to the extent consistent with requirements of the National Labor Relations Act.

The Company agrees to provide liability protection to all employees operating Company vehicles in the course of their employment. The employee's personal insurance carrier will not be used for the Company's benefit under any circumstances.

SECTION 12 LEAVE OF ABSENCES

A leave of absence without pay for reasonable cause, as determined by the Employer, may be granted for a maximum of sixty (60) calendar days within a calendar year, providing the employee can be spared from their regularly assigned duties. At least fifteen (15) days written notice in advance of such leave of absence and approval of management is required. If the employee remains away for more than sixty (60) days, or accepts employment elsewhere while on leave without the sanction of the Company, his seniority shall be forfeited.

Any employee entering military service or conscripted for defense work shall accumulate seniority during their absence provided that he returns with a certificate of satisfactory completion of their service, re-applies for work within the statutory limit of ninety (90) days after such completion and is physically fit to be restored to their position. If disabled or incapacitated in any way, the returning employee's case will be considered individually at that time.

Any employee appointed by the Company to a position outside of this Agreement shall retain seniority in the department in which they have established such seniority. Such employee may, within six (6) months, return to their former position. If such employee continues in the new position after six (6) months, they cannot thereafter, of their own volition, return to their former position. If the Company should subsequently demote such employee, they may return to their former department with the seniority as first stated above.

SECTION 13 TUITION REIMBURSEMENT

The Company will provide bargaining unit employees the opportunity to advance their education within the following guidelines:

- 1) All full-time, active, bargaining unit employees with a minimum of one year's continuous service with the Company are eligible for participation in the program. Individuals must remain in the active employ of the Company through completion of the reimbursement process to qualify.
- 2) All recognized educational institutions such as colleges, universities, trade schools, business schools, adult continuing education centers, reading, writing and/or mathematics literacy courses, correspondence schools, and professional groups are acceptable for the program.

- 3) The course(s) to be taken must be a) related to the individual's job and normal path of progression, or, b) requirement(s) toward a degree pertinent to the employee's career at the Company / Utility. The employee must have prior approval of the course(s) from the employee's Manager, the Director - Personnel Administration and the Manager of Employee Relations, respectively.
- 4) The individual will be reimbursed for 75% of the cost of tuition, books and course related fees. (Course related fees include lab and material costs. Do not include: Student Activity, Athletic, Student Center, parking fees, or interest charges. These fees are not applicable for reimbursement). The full tuition costs shall be paid by the employee directly to the educational agency involved.
- 5) Participation in the program is voluntary and class attendance and all work assignments must be completed outside the employee's normally scheduled working hours. The hours an employee spends in attending classes and completing all work under the program will not be considered as hours of work and the employee will not receive any pay from the Company for this time. (Any exceptions regarding working hours will require the prior approval of the Employee Relations Department and the Operations Manager based on needs of service. If, at the agreement of the Operations Manager, an employee is excused from working hours to attend approved course(s), the excused time will be unpaid).
- 6) It is the intent of the Employee Education Refund Program that participants who are covered by benefits resulting from service in the Armed Forces, Governmental aid, or scholarship aid will be eligible for return only on that portion (75%) of the tuition in excess of such benefits.
- 7) Tuition reimbursement will be reported to the Internal Revenue Service as additional income and applicable taxes will be withheld.
- 8) A passing grade or satisfactory completion of a course is required to qualify for the refund.

SECTION 14 FIRST RESPONDER

During the period of November 1 through March 31 a second First Responder shall be established to cover the Trenton area. Opportunities to be the First Responder will be offered as described in Common Language Article IX, Section 2.

SECTION 15 PAY DAY

Pay days shall be every other Friday for the two-week period ending five days prior to pay day. When pay day falls on a holiday employees shall be paid on the preceeding day.

PART II
COMMON LANGUAGE
TWELVE COUNTIES, LOCAL 100, LOCAL 101, LOCAL 360, and LOCAL 459

ARTICLE I HOLIDAYS

Section 1. Regular holidays under this agreement shall be: New Year's Day, President's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Day, Christmas Eve Day (Christmas Eve will be celebrated on the last regularly scheduled work day before the day on which Christmas is celebrated as a holiday by the Company), and the Employee's birthday.

Section 2. Employees under this agreement shall receive eight (8) straight time hours pay for each of the above listed holidays.

Section 3. The employee's birthday holiday may be celebrated under one of the following options:

- a) On the actual day under the same provisions that govern the celebration of other holidays.
- b) The holiday will be scheduled to tie into a vacation period. Scheduling of this option is subject to the needs of the service, and is to be completed by December 31st each year for the next calendar year.
- c) If an employee's birthday falls on a holiday and is not rescheduled under option (b) above, the employee will be paid eight hours pay.
- d) An employee may use their birthday holiday as an additional individual vacation day.

Section 4. When a holiday under this Agreement falls on a Saturday, the previous Friday shall be observed as the holiday and when a holiday falls on a Sunday the following Monday shall be observed as the holiday. (Christmas Eve will be celebrated on the last regularly scheduled work day before the day on which Christmas is celebrated as a holiday by the Company).

Section 5. Employees (exclusive of shift workers) whose work week is Tuesday to Saturday inclusive shall be off duty the day following the holiday which is celebrated on Monday. When a holiday falls on Monday, they shall celebrate the holiday on Monday and receive holiday pay for that day and Tuesday shall be their normal day off. When a calendar holiday falls on Friday or Saturday, employees whose work week is Tuesday to Saturday inclusive shall be off duty the day of the calendar holiday.

Section 6. Straight time holiday pay shall be lost under the following conditions:

- (a) Failure to work on a holiday which falls within the employee's normally scheduled work week if not excused.
- (b) Failure to work the regularly scheduled day before or the regularly scheduled day after the holiday unless excused.

VACATION

ARTICLE II

Section 1. All employees covered hereunder who have worked six (6) continuous months for the Company shall then accrue vacation credit for time worked on the following basis:

1 year - 10 working days (80 hours)
5 years - 15 working days (120 hours)
7 years - 16 working days (128 hours)
9 years - 17 working days (136 hours)
11 years - 18 working days (144 hours)
13 years - 19 working days (152 hours)
15 years - 20 working days (160 hours)
21 years - 21 working days (168 hours)
22 years - 22 working days (176 hours)
23 years - 25 working days (200 hours)
30 years and over - 30 working days (240 hours)

It is further understood that the term "day" refers to the eight or ten hour daily schedule normally worked by that employee. Employees who have accrued vacation credit of ten (10) or more working days will be allowed to schedule their vacation any time during the vacation year in which the accrual occurs in accordance with Section 8 below.

Section 2. The vacation year shall be from January 1 to and including the following December 31.

Section 3. Employees shall not accumulate vacation time from one vacation year to another except that employees who are entitled to more than five (5) days of vacation in a vacation year may elect to carryover a maximum of ten (10) days of vacation to the next vacation year. Employees must notify local management during October as to the number of vacation days they wish to carryover to the next year. An employee may cancel all or part of their vacation carryover with management approval.

Section 4. Holidays shall be considered a working day for vacation scheduling purposes but shall not be considered a vacation day.

Section 5. Employees who are entitled to an annual vacation can use up to ten (10) of their earned days as ten (10) individual vacation days. When employees have earned more than ten (10) vacation days they will schedule those additional days in consecutive periods of no less than five (5) working days. For purposes of administration, employees may take their individual vacation days under the following circumstances:

- (1) Needs of the service must always be met.
- (2) Scheduled vacation periods (5 or more days) will always be given preference over individual days.
- (3) Reasonable notice for time off must be given.
- (4) Individual vacation days should normally be used, if available, prior to using unpaid absence.

(It is understood that these changes are not intended to change the general administration of vacation.)

In addition, employees may take up to forty (40) hours of their ten (10) individual vacation days per year in half day increments under the following terms:

(1) Requests must be made at least 24 hours in advance.

(2) A half day is 1/2 of your regularly scheduled work day.

(3) Half days and individual days will be administered the same.

(4) Granting of half-day vacations or unpaid time off is entirely at management's discretion and is not subject to the grievance procedure.

Section 6. When an employee is laid off or resigns, he shall receive the vacation earned prior to January 1 and pro rata vacation pay from his anniversary date to the termination date. Employees terminating for reasons of death or retirement will continue to receive pro rata vacation from January 1 to the termination date.

Section 7. Employees who have been laid off shall not lose their status in determining vacation rights until they have been out of the service three (3) years.

Section 8. Prior to January 1 of each calendar year department heads will consult with all employees entitled to vacation and from such consultation the Company shall establish and post before the above date on departmental bulletin boards a working schedule for vacation periods. In determining vacation schedules, the wishes of the employees will be respected as to the time of taking his vacation insofar as the needs of the service will permit. Although vacation time is earned according to length of continuous Company service, it shall be assigned according to length of Company service within each department (Systems, Construction, Miscellaneous).

ARTICLE III

PAID ABSENCE TIME

Section 1. An employee will be allowed three (3) consecutive working days of Funeral Leave with pay in the event of a death in his immediate family; namely father, mother, father-in-law, mother-in-law, spouse, son, daughter, brother and sister. If the call is received while at work, the following day will be counted as the first day and the employee will receive straight time pay for the remainder of the basic work day.

An employee will be allowed one (1) day of Funeral Leave with pay to attend the funeral of his grandfather, grandmother, or grandchild. An employee will be allowed one (1) day of Funeral Leave with pay to attend the funeral of his step-child provided he/she was the parent who raised the child. When an employee is requested by the family to serve as pallbearer for a deceased employee or deceased retired employee he shall be permitted to be absent without loss of pay not to exceed one (1) day.

Section 2. An employee performing jury service during his regularly scheduled hours shall do so without loss of pay and shall remit all fees for such service to the Company.

Section 3. An employee who is injured during and in the course of his employment with the Company and is eligible for Workers' Compensation for temporary total incapacity for work in accordance with Workers' Compensation Act, Section 8, shall receive from the Company the difference between the weekly compensation rate for temporary total incapacity and his basic

weekly take home pay (gross pay less FICA, Federal and State Withholding Taxes) for each day he is off, starting from the time of the injury. Such payments are to continue until:

- a) The Company physician releases the employee to return to work; or
- b) such time that compensation for temporary total incapacity for work as specified in Section 8 of the Workmen's Compensation Act has been exhausted; or
- c) such time that the employee is determined to be wholly and permanently incapable of work by the Industrial Commission.

In no case will an employee be entitled to more than his basic take home pay during the period of temporary total incapacity for work.

ARTICLE IV METHOD OF SETTLING DIFFERENCES

Section 1. In the event any differences shall arise during the term of this Agreement between the Company and any employee or employees, hereunder, or between the Company and the Union, then such difference shall be settled in the following manner:

Step 1. The matter in dispute shall be presented to the Operations Manager, Operations Supervisor, Engineering Supervisor, or other appropriate Company representative, to whom the employee(s) involved are responsible. If not resolved, the matter in dispute shall be submitted in writing to the Company representative within fifteen (15) calendar days of the date upon which the difference is based first occurred or first becomes known to the employee(s). The Company representative shall respond in writing within ten (10) calendar days after a meeting is held to discuss the matter at this step. In the event the dispute is not settled at this step within the above time period, then Step 2 shall be followed.

Step 2. The matter in dispute shall be presented in writing to the appropriate Labor Relations Representative within ten (10) calendar days of the time stated for disposition in Step 1. In the event a mutually agreeable meeting date is not selected within fifteen (15) calendar days of the receipt of the letter, it may be moved to the next step by either party. An answer to the grievance shall be given in writing within ten (10) calendar days after the meeting is held at this step. In the event the dispute is not settled at this step within the time period as stated above, then it shall be submitted to an Arbitration Board as provided in section 2, below.

Section 2. The Four Man Arbitration Board shall consist of two (2) members appointed by the Union and two (2) members appointed by the Company. They shall meet to hear the facts of the dispute within thirty (30) calendar days of the receipt of notification of intent to invoke their services. Should this board be unable to reach a satisfactory resolution of the grievance within fifteen (15) calendar days of their meeting, the party seeking arbitration shall notify the other party within fifteen (15) calendar days of the time limits stated above of their intent to seek the services of a neutral arbitrator. The party requesting arbitration shall request a panel of nine (9) arbitrators, who are members of the National Academy of Arbitrators and who do not live in Illinois or the St. Louis Metro Area, from the Federal Mediation and Conciliation Service

(FMCS). The Company and the Union shall then within fifteen (15) calendar days after receipt of the list of arbitrators from FMCS alternately strike one name from such list so that the remaining arbitrator shall be designated as the arbitrator. Only one panel of nine (9) arbitrators shall be requested unless both parties mutually request additional lists.

The arbitrator shall be advised prior to hearing that a decision must be rendered within thirty (30) calendar days of receipt of briefs unless both parties agree to an extension. The arbitrator's decision shall be final and binding on all parties. In considering any dispute under this provision, the arbitrator shall have no authority to amend, delete from or add to this agreement.

The Company and Union shall bear the expenses of its own Board members, and the expenses and fees of the neutral arbitrator shall be shared equally. The total cost of any stenographic record and all transcripts thereof shall be paid by the party ordering same. Court Reporters shall be requested to supply transcripts within ten (10) calendar days of the hearings and the parties shall request a briefing date no longer than thirty (30) calendar days after receipt of the transcript unless they shall mutually agree otherwise.

Section 3. In the event any of the foregoing time limits are not observed or extended by mutual agreement in writing, the difference shall be assumed to have been settled and the right to invoke Step 1 or any succeeding step, or arbitration, as the case may be, shall be deemed to have been waived. The parties will expedite discharge cases through the grievance procedure, where mutually agreeable.

Section 4. A copy of any letters of reprimand will be given to the Union. It is agreed that after a letter of reprimand has been in an employee's personnel file for three (2) years, without any intervening disciplinary action, it will not be taken into account when imposing future disciplinary action.

ARTICLE V HOURS OF WORK

Section 1. All employees covered by this agreement shall receive full time employment (40 hours per week) provided they are ready and in condition to perform their work. Regular working hours shall be from 8:00 A.M. to 4:30 P.M., with a one-half (1/2) hour lunch period, Monday through Friday except as provided for herein.

Section 2. The Company may establish an evening shift for eight (8) consecutive hours beginning no earlier than noon and no later than to 3:00 p.m. which shall constitute a shift at straight time rate of pay. In addition, these employees will receive shift differential and will eat their lunch on the job.

Section 3. Employees whose regular hours of work begin at 8:00 a.m. may elect to start at 7:00 a.m. provided 75% of the department agrees and subject to management approval. This same procedure (except for management approval) will be utilized when an area decides to return to an 8:00 a.m. start time. The appropriate Local Union office will provide a minimum of two (2) weeks notice to Labor Relations to request a change in hours. Lunch periods will not be affected by a change in start times under this provision unless mutually agreed upon by the parties.

ARTICLE VI

WORKING CONDITIONS AND SAFETY

Section 1. The Company shall not be required to transport employees from and to the job at noon and in addition the Company will not be required to pay for noon lunches. In adverse weather conditions the Company will either provide suitable eating facilities or will return the employees to their headquarters for lunch.

Section 2. When an employee of a lower paid classification is required to do work of a higher paid classification for a period of one (1) hour and less than four (4) hours he shall be paid the higher rate for four (4) hours of his regular scheduled work day. When an employee of a lower paid classification is required to do work of a higher paid classification for four (4) or more hours in any one day he shall be paid the higher rate of pay for his scheduled work day.

Section 3. When conditions require that an employee shall work at a distance from his permanent headquarters, the Company, at its option, shall either provide transportation, meals and lodging, or reimburse to a reasonable amount for expenses actually incurred for transportation, meals and lodging.

Section 4. It is agreed that in an emergency or a breakdown other employees may be used to assist the classifications mentioned in the Wages and Classifications Article until such time as these classifications may arrive on the job.

Section 5. Two employees will be used to operate the gas surveillance vehicle during periods of darkness and in congested areas.

Section 6. It is recognized that safety is a matter of concern to management and employees alike and both are governed by the safety rules as published in the Illinois Power Company Safety Manual or as prescribed by applicable State or Federal Regulations. Safety and efficient operations will guide management decisions in this regard. Work assignments requiring the use of power tools, machinery, or equipment will be made by supervision with full consideration of the safety of employees and applicable rules and regulations.

Section 7. The Company shall be required to furnish all tools and also rubber coats, rubber gloves, work gloves, and hats for employees working in excessive mud, water or sloppy concrete, and rain. The Company will assign these items individually. The Company will also supply boots that can be slipped on over shoes.

Section 8. The Company will furnish 2 pairs of welder's gloves to each welder; one of which will be used by the employee assisting the welder.

Section 9. It is agreed that the Company will meet and discuss its drug policies when requested. Furthermore, changes in the Drug Policy will be made available to the Unions.

Section 10. The Company is committed to the fair and equitable treatment of all employees in situations involving both corrective action and work assignments. Measures have been taken internally by management to help insure that this commitment is met. However, in a further effort

to reassure the Unions of its sincerity, the Company agrees that it shall not be arbitrary or capricious in the treatment of its employees.

Section 11. The Company agrees that it will not contract any work which is ordinarily and customarily done by its regular employees as of the date of this agreement if as a result thereof it would become necessary concurrently (within thirty days) to lay off or to reduce the rate of pay of any employees on the seniority list who regularly perform work covered by this agreement.

ARTICLE VII OVERTIME

Section 1. Systems Gas Department and Construction employees shall receive time and eight-tenths (1.8) for all overtime. These employees will eat all meals on their own time and at their own expense. Gas Department employees will be expected to exercise good and reasonable judgment in the timing and duration of meals. Under no circumstances will a work location be left until it is made safe. For other employees covered by this agreement all time worked in excess of regular hours or regular shifts shall be paid for at the rate of time and one-half, and double time is to be paid for all overtime worked on Sunday with 30 minute meal periods at 6:00 a.m., noon, 6:00 p.m., and midnight.

Section 2. Employee shall receive a minimum of two (2) hours at overtime rates when called back outside of regular working hours. If employees are notified before regular quitting time to report for work prior to the regular starting time and then continue with regular hours of work they shall be entitled only to actual overtime hours worked at the applicable overtime rate.

Section 3. Employees who work less than two (2) hours on prearranged overtime work and who do not perform a regular day's work before or after said prearranged overtime, shall be allowed a minimum of two (2) hours pay at the applicable overtime rate. In addition, the two (2) hour minimum pay shall apply in those cases where prearranged overtime is scheduled and then canceled after the end of the employee's last work period prior to the prearranged overtime.

Section 4. Any employee who has worked for sixteen or more continuous hours shall, upon release be entitled to an eight hour rest period before he/she returns to work. If the rest period extends into his/her regularly scheduled work day he/she shall lose no time thereby. Time worked in excess of sixteen continuous hours shall be paid for at the applicable overtime rate until released from duty. Time worked during the above mentioned rest period shall be paid for at the applicable overtime rate. For the purpose of administering the overtime period and rest period the work period shall be considered continuous unless interrupted by a continuous eight hour period. Accumulation of time towards this continuous eight hour period shall begin upon release. However, the employee will remain eligible for overtime until his/her sixteen hour clock has expired. It is understood, unless instructed otherwise, employees will take an eight hour rest period when due.

Section 5. When employees are asked to perform emergency work outside of the area covered by this agreement the Company will provide transportation, either provide meals or reimburse to a

reasonable amount for expenses actually incurred for meals, and the overtime multiplier(s) in effect in the host area will apply.

ARTICLE VIII MISCELLANEOUS PREMIUM RATES

Section 1. Eligible employees will receive a shift differential of \$.65 per hour.

Section 2. Employees certified as Class I Welders will receive a premium of \$.75 per hour. This premium will be adjusted for the applicable overtime rate (i.e., x 1.8). This premium is applicable only during the period the employee is fully qualified as 1st degree welder. Class I welders who fail to maintain their Class I certification twice within any 12 consecutive month period will lose their certification and go to the bottom of the interest list. A Class II welder premium of \$.25 per hour will be temporarily established for those employees who are currently certified as Class II welders so long as they maintain their certification.

An interest list will be maintained in each headquarters containing the names of those employees who desire to be a Class I welder. When the Company decides to establish additional Class I welders in the future the opportunity will be offered to employees on this list in seniority order. This opportunity will consist of two weeks each of micro wire or stick welding (or both) training followed by the Class II welding qualification test. Employees who fail to obtain or lose their Class II qualification will go to the bottom of the interest list. Following six months of field experience the employee will attend Class I welder upgrade training followed by the Class I welder certification test. Employees who fail to certify as a Class I welder during this process will not be allowed to re-qualify when their Class II welder qualification expires.

The designation of Class II welder will be eliminated. Existing Class II welders as of June 30, 2000 will continue to be allowed a four hour period during normal working hours to complete the re-qualification test annually. An existing Class II welder who fails to re-qualify in the future will go to the bottom of the interest list.

When the Company decides to establish additional Class I welders in the future existing Class II welders as of June 30, 2000 will be offered that opportunity based on Department seniority prior to using the interest list until such time as there are no more in the headquarters. However, when an opportunity is offered the senior of these employees will be required to accept. This opportunity will consist of two weeks of Class I upgrade training followed by the Class I welder certification test. Class II welders who fail to certify as a Class I welder will not be allowed to re-qualify when their Class II welder qualification expires.

In the event that no employee in a headquarters qualifies as a Class I welder, the Company will attempt to cover its needs via other reasonable options including any contractual rights available to the Company.

Section 3. Systems job site reporting will be permitted within the area covered by this agreement. A job site shall be defined as any headquarters or work site. Each employee will be responsible for providing their own transportation and reporting to the job site at the assigned starting time. Volunteers, based on needs of service, will be sought to fill the classifications and skills required when this provision is utilized. However, in those instances when there are insufficient volunteers, the least senior qualified employees will be required to participate. Compensation for job site reporting shall be \$1.50 per hour while actually job site reporting.

Assignments under this provision will last a period of five (5) consecutive days or more (Saturday, Sunday and Holidays excluded unless worked), but not to exceed four consecutive months unless mutually agreed otherwise. Facilities (toilet, drinking water, enclosed structure and heated in the winter, and for changing clothes) will be available for use by employees at each job site.

ARTICLE IX SYSTEMS

The Company and Union recognize the importance of responding to the needs of our customers in a timely manner. In order to address this issue during overtime situations the following procedures are being established.

Section 1. All qualified* employees will be listed on a Gas Department overtime callout list in ascending order of overtime charged to date regardless of their classification or Union affiliation. This overtime list will be used for all overtime assignments except that calls of a specialized nature (First Responder Teams, Gas Regulator Repairman, Industrial Gas Meter Tester, etc.) will continue to be assigned to the appropriate employee. Employees who do not currently meet these qualifications will be placed at the bottom of the overtime list until such time as the qualifications are met. They will be the last ones contacted for overtime opportunities and will not be eligible for First Responder Team duty. Apprentices will be afforded overtime opportunities, when practical, to supplement their training. These opportunities will be at the discretion of local management. An assignment that continues into overtime will be performed by the employee(s) already at the job site. When it becomes necessary to continue working on a specific job order past normal working days and hours (such as Saturdays or past 4:30 p.m.) the crew on that project will be given preference. Employees will be by-passed for callout overtime opportunities once their sixteen hour clock has expired unless no other employees are available. The sixteen hour clock begins when an employee begins work following a continuous eight or more hour break. Employees prearranged for overtime will not be excluded from callout overtime opportunities but must inform the Company as soon as possible if they are still working on the callout or are too exhausted to report for prearranged overtime due to working callout overtime.

*Includes, but is not limited to, residing within thirty (30) minutes of the headquarters.

Section 2. In recognition of their obligation to provide fast, assured response, the Company and Union agree that 24 hour coverage will be achieved by implementing the following options, in addition to the Standardized Callout procedure described above.

A) The classification of Gas Emergency Troubleman will be established. This position will replace existing one-man trucks in some locations. Training will be provided where needed to insure that the work is done safely and efficiently. If there are no qualified Journeymen who are interested, the least senior qualified Journeyman in the Gas Department will be required to accept the position.

Employees in this classification will be on duty for a period of eight (8) consecutive hours and subject to call for four (4) additional consecutive hours, the period of duty and on call shall be consecutive. The period of duty and on call will be determined by the Company. While on call, the employee will be required to meet the same obligations as a First Responder and will

be provided an electronic communication device for use while on call, if requested. Shift premium will not apply. The period of duty may start no earlier than 6 A.M. and no later than 4 P.M. each day unless mutually agreed otherwise between the Company and Union. Employees shall be off for lunch and available thirty (30) minutes of the said eight (8) hours. If an employee is unable to eat their lunch prior to being released for the day, they will receive thirty (30) minutes time at the applicable overtime rate. Employees in this classification are expected to either work or be on call on any holiday that falls within their regularly scheduled work week, but must notify the Company at least 72 hours prior to the holiday if they choose to be on call rather than on duty.

B) Qualified employees may be required to be on call during specific off hours. While on call, employees will be expected to carry an electronic communications device, be ready to respond, meet all legal requirements to be fit for duty, be able to arrive at the location of the emergency in one (1) hour or less, accept all overtime opportunities, and may be required to take a Company vehicle home. This employee will be the first contacted for overtime emergencies, except that calls of a specialized nature will continue to be assigned to the appropriate employee and employees designated as "outlying" will continue to be called first for problems in their respective territory. Calls to the First Responder will be attempted by phone first, then by electronic communications device. First Responders will normally be expected to handle all trouble calls. When a First Responder encounters a situation that requires additional help, it will be provided.

Opportunities to be the first responder will be offered according to the standardized callout list in effect at that time. Employees who refuse the first responder opportunity will be charged for all hours worked by the employee who accepts. If no employees accept the first responder opportunity, the least senior qualified employee will be required to accept. The next time no one accepts, the next least senior employee will be required to accept. This process will continue, as needed, until all qualified employees have been required to accept and then begin again.

If the first responder is unable to respond due to an emergency or situation beyond his control, he is to notify Management as soon as possible. If Management elects to replace the first responder for the remainder of the on call period, this opportunity will be offered as described above. An employee who is contacted outside of regular hours and accepts the remainder of the on call period (until the next regularly scheduled work day) agrees to make the necessary arrangements to obtain the vehicle and electronic communications device from the original First Responder and will receive two (2) hours pay at the applicable overtime rate. At the start of the next regularly scheduled work day, the procedure described in the previous paragraph (above) will be used to fill the remainder of the on call period. First Responder Teams will receive compensation equal to \$1.25 per hour for all hours on call.

C) Nothing in this agreement shall alter the Company's ability to institute continuous operations in any department or location where that ability currently exists.

Section 3. Any opportunity for overtime which is not worked will be charged against that employee as refused. An opportunity is defined as any attempt to contact an employee. Multiple attempts to contact an employee for the same overtime opportunity will be treated as one. Refusals, as defined above, will be charged with the same amount of time as actually worked (straight time equivalent) by the employee or employees who responded to that callout.

A departmental overtime equalization list will be posted in each department on a weekly basis. This list will be reset on the first pay period of each year with employees retaining their respective positions. Each employee will have their equalized hours reduced by the amount held by the low overtime employee on that list. Overtime opportunities outside of the employee's headquarters area will be charged against the employee for overtime equalization purposes.

Employees will not normally be contacted for overtime opportunities while on sick leave, Worker's Compensation, funeral leave, jury duty, or out of the area on Company or Union business. Employees will not normally be contacted for overtime opportunities while on vacation (includes the weekend before, after, and during a vacation period), unless they notify the Company that they wish to be eligible for overtime on the weekend before and/or after a specific vacation period. This includes individual vacation days. Employees under this provision who are called by mistake will not be charged.

Section 4. The strategies established will be measured against the standards of performance listed below. In the event that these standards of performance are not being met in any department, the Oversight Committee will meet to arrive at an alternate strategy.

The following performance standards will be used to determine if a strategy is working satisfactorily in a department.

- 1) The First Responder must acknowledge receipt within an average of five (5) minutes.
- 2) Responder must arrive at the site of the gas leak within one (1) hour unless there are extenuating circumstances.
- 3) Must be cost effective.

ARTICLE XI **TERM OF AGREEMENT**

This agreement and the provisions thereof, shall continue in force and be binding upon the respective parties hereto until June 30, 2004, and from year to year thereafter unless changed by the parties hereto in writing. Any of the parties hereto desiring a change in any section or sections of this agreement shall notify the other party in writing of the desired change or changes by specific sections sixty (60) days prior to the end of each contract period. After such notice the agreement shall be opened up and the change or changes desired will then be considered.

The parties agree to open this agreement upon the Company's request at any time during its term should a merger, acquisition, restructuring, or building consolidation occur which necessitates changes to this agreement.

For the Union:

Rick D. Schewe 9-5-00
Rick Schewe Date
Business Manager

For the Company:

Veta G. Rudolph 8-21-00
Veta G. Rudolph Date
Labor Relations Consultant

Ronald D. Pate 8/21/00
Ronald D. Pate Date
Senior Director - Gas Delivery

ADDENDUM A

METRO AREA GAS CONSTRUCTION AGREEMENT ILLINOIS POWER COMPANY TWELVE COUNTIES, LOCALS 100, 101, 360, 459 June 30, 2000

COMMITMENT

The Parties (Illinois Power Company, Twelve Counties, Local 100, Local 101, Local 360, and Local 459) recognize the Company's need to make prudent business decisions and that the integrity of the bargaining units should be preserved to the extent possible. The Parties also realize that the utilization of gas contractors impacts the level of job security felt by employees. As a result of this joint recognition, the Parties agree that it is preferable to perform gas department work with the Company's employees provided they can perform the necessary work in a safe, competitive manner.

Based on this fundamental premise, the Company will endeavor to prudently administer the use of gas contractors and the Union will continue their endeavors to foster a competitive work environment. The Parties recognize, however, that there are instances when the best business decision is to utilize gas contractors. However, it is the intent of the Parties that reasonable notice shall be given prior to contracting distribution construction work. Adherence to this philosophy by all Parties will eliminate any legitimate employee fears regarding the use of contractors to perform gas department work.

REGIONAL CONSTRUCTION AREAS (RCA)

The Maryville RCA (Maryville, River Bend, Trenton, Hillsboro, and Mt. Clare Areas) will be staffed, as necessary, by employees from these areas. Overall Twelve Counties seniority will be utilized to fill vacancies in regular positions.

The Belleville RCA (Belleville, Trenton, East St. Louis, and Columbia Areas) will be staffed, as necessary, by employees from each Party within these areas. Adding to or deleting from Construction (above the original eight) will be accomplished in multiples of two (2) with equal numbers coming from Belleville and East St. Louis. Replacements will come from the same party in which the vacancy occurs, based on Gas Department seniority.

The temporary movement of employees from one RCA to another will not result in the layoff or reduction of other existing employees.

The Parties recognize that continuity is important to the competitiveness of the Construction concept at Illinois Power Company. However, there may be circumstances whereby an employee no longer wishes to participate in Construction. Therefore, those employees working under this addendum must notify the Company by June 1st of each year of their desire to return to Systems. They will only be permitted to return to Systems during July of each year.

JOB SITE REPORTING

The minimum requirements for a reporting location are:

1. An enclosed structure heated in the winter.
2. Available toilet facilities.
3. Accessible by a hard surface road.
4. Reporting location must be within the RCA.

WORK ASSIGNMENTS

Construction employees may be assigned to work anywhere within either RCA. However, the Parties will endeavor to keep employees close to their home area. Crews may be comprised of employees from different RCA's. In such cases the area in which the job is located will provide the leadership as needed. It is agreed and understood that the Company will not utilize this agreement in a manner which would serve to increase the number of employees represented by one or more Parties at the expense of any other(s).

HOURS OF WORK

Construction crews may work an eight (8) or ten (10) hour day. When working an eight (8) hour day, the crew may elect to begin at 7:00 a.m. during the period covered by Daylight Savings Time. All employees on the crew, and management, must agree to the early start time. In the event a ten (10) hour day is worked it will be under the following conditions:

- Schedule M-Th or T-F.
- Time and eight-tenths will be paid prior to the normal starting time or after the normal quitting time and on M, F or S when it is a day off.
- Starting time will be no earlier than 6:30 AM and no later than 7:30 AM.
- Sick time and vacation will be charged in 10 hour increments (8 hour waiting period is not changed).
- A holiday when not worked, jury duty, and funeral leave will be paid in 10 hour increments.
- When a holiday falls outside the normal scheduled work week, then an additional 8 hours of holiday pay will be paid.
- All employees on a crew must agree to the 10 hour shift.
- The Parties agree that, based on needs of service, employees who have less than ten (10) hours of vacation remaining may take unpaid time off to make up the difference and be off for one (1) day or accept payment for the remaining hours of vacation.

VACATION

It is understood that the term "day" refers to the eight or ten hour daily schedule normally worked by a Construction employee. Construction employees may take up to forty (40) hours of their ten (10) individual vacation days per year in one (1) hour increments under the following terms:

- Requests must be made at least 24 hours in advance.
- Partial days and individual days will be administered the same.
- Granting of partial vacation days or unpaid time off is entirely at management's discretion and is not subject to the grievance procedure.

TEMPORARY VACANCIES ON AN EXISTING CONSTRUCTION CREW

Systems employees will be allowed to declare, on a yearly basis, an interest in temporary construction assignments. Each year all areas will post a sheet requesting volunteers from systems who will work under the terms of this agreement as described below. When the Company desires to fill a temporary Construction vacancy the replacement(s) will come from the same Party. Unplanned absences, when filled, will be handled as a regular job assignment on the first day, with subsequent days on the same assignment resulting in an upgrade to the appropriate classification.

and reporting directly to the job site. Should no volunteer accept a construction assignment then the least senior Systems employee(s) from the appropriate Party will be required to do so.

RATES OF PAY

<u>OCC CODES</u>	<u>CLASSIFICATION</u>	<u>1/1/00</u>	<u>7/1/01</u>	<u>7/1/02</u>	<u>7/1/03</u>
28360	Gas Construction General Foreman	\$26.23	\$27.03	\$27.74	Reopener
28370	Gas Construction Foreman	\$25.18	\$25.98	\$26.69	Reopener
25060	Gas Construction Leadman	\$24.73	\$25.53	\$26.24	Reopener
28380	Gas Construction Journeyman	\$24.23	\$25.03	\$25.74	Reopener
28420	Gas Construction Apprentice 4th step (95% Construction Journeyman)	\$23.02	\$23.78	\$24.45	Reopener
28410	Gas Construction Apprentice 3rd step (92 1/2% Construction Journeyman)	\$22.41	\$23.15	\$23.81	Reopener
28400	Gas Construction Apprentice 2nd step (89% Construction Journeyman)	\$21.56	\$22.28	\$22.28	Reopener
28390	Gas Construction Apprentice 1st step (86 1/4% Construction Journeyman)	\$20.90	\$21.59	\$22.20	Reopener

The rate for a Gas Construction Journeyman will be \$1.50 above that of a Systems Gas Journeyman.
The rate for a Gas Construction Leadman will be \$.50 above that of a Construction Journeyman.
The rate for a Gas Construction Foreman will be \$.45 above that of a Construction Leadman.
The rate for a Gas Construction General Foreman will be \$1.05 above that of a Construction Foreman.

When Construction employees are assigned within twenty-five (25) miles of the Maryville (12 Counties) or Belleville (100, 101, 360, 459) RCA it shall be under the basic rate of pay as stated above. This includes the area covered by the other RCA. In the event a Construction employee is assigned to a reporting location which is outside of their RCA and more than 25 miles from Maryville (12 Counties) or Belleville (100, 101, 360, 459), they will be entitled to an additional premium of \$1.00 per hour.

GENERAL FOREMAN

When a General Foreman position is being used, the General Foreman will be paid \$1.05 above the Construction Foreman rate of pay. After the Construction employees have been identified, the Parties will meet to determine the order in which they will be eligible for leadership positions in each RCA.

OVERTIME

Construction employees will be eligible for Systems overtime when: 1) no Systems employees are available to respond; 2) in emergency situations; or, 3) when working with Systems and the job assignment results in an overtime situation. Construction employees will not be placed on the Systems Overtime List. It is understood that construction employees may be used to perform work normally performed by systems employees.

PERFORMANCE

The Parties in reaching this agreement believe they will be competitive with the cost of performing similar work with an outside contractor. To assure that the best business decision is made, a Construction Oversight Committee consisting of two (2) representatives from each Party

will endeavor to insure the fair application of this agreement. This committee will meet when requested by any Party. The committee will be responsible for monitoring performance. In the event that the Oversight Committee cannot resolve an issue, each Party maintains the right to utilize their contractual grievance procedure.

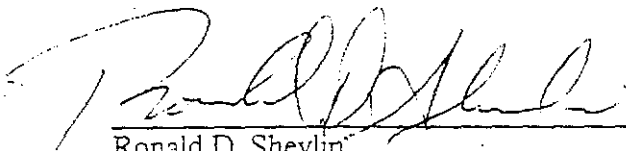
CANCELLATION

This agreement will continue in effect until canceled by any Party hereto upon thirty (30) days written notice to all other Parties. In the event this agreement is canceled, employees covered hereunder will be allowed to exercise their seniority within Systems and the affected work force will be adjusted to reflect this competitive business decision.

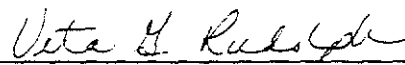
Agreed upon by the parties hereto this 30th day of June, 2000.

For the Unions:

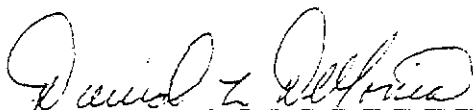
For the Company:




Ronald D. Shevlin
Twelve Counties



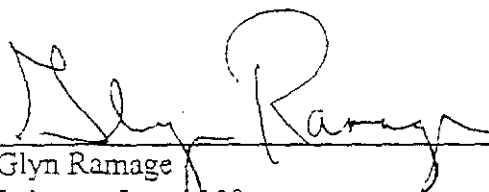
Veta G. Rudolph
Labor Relations Consultant



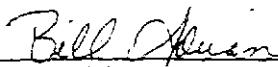
David DeGonia
Fitters Local 360



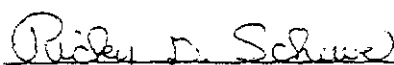
Ronald D. Pare
Senior Director - Gas Delivery



Glyn Ramage
Laborers Local 100



Bill Adrian
Fitters Local 101



Rick D. Schewe
Laborers Local 459

ADDENDUM C
EMPLOYEE TRAINING CENTER AGREEMENT
TWELVE COUNTIES, LOCAL 100, LOCAL 101, LOCAL 360, and LOCAL 459
June 30, 2000

While the Company maintains its right to implement many of the items contained in this document, it is recognized that an agreement which clearly establishes the guidelines for employees while at training is in the best interests of all parties. Therefore, employees (trainees and trainers) who attend required training at the Decatur Training Center will do so under the following guidelines:

1. EXPENSES

1.1 Employees will be provided or reimbursed for meals (Breakfast=\$8.00, Lunch=\$10.50, Dinner=\$18.25) and lodging incurred while attending training. The meal amounts referred to above are maximum allowable expenditures and will escalate by 2% on July 1, 2000, and July 1, 2001.

1.2 Employees are expected to use their T & E credit card for legitimate business expenses whenever possible and will be required to provide an original receipt in order to be reimbursed for cash business expenditures.

1.3 T & E Credit cards will be available to all employees for charging legitimate business expenses at training as long as it is not abused. Employees who lose this privilege or do not use the T & E credit card will be reimbursed for legitimate business expenses on their bi-weekly pay check.

1.4 A vehicle will be provided, however, employees who elect to use their personal vehicle for travel will be reimbursed at the current mileage rate.

2. TRAVEL

2.1 Employees who travel on the first and last day of training will do so on Company time. If it is necessary to travel outside of the hours of 8:00 a.m. to 4:30 p.m., the employee will be entitled to the appropriate overtime rate of pay.

2.2 Employees who receive permission to travel on the day prior to or after training will be provided with appropriate meals and lodging, but will travel on their own time.

2.3 Employees scheduled for consecutive training days will normally be expected to stay overnight and will be provided with appropriate meals and lodging.

2.4 Employees who are instructed by their supervisor or the training instructor to travel daily will be covered under section 2.1 (above).

2.5 Employees expected to stay overnight who request to travel daily, due to extenuating circumstances, will do so on their own time and at their own expense. These requests must be approved in advance by their supervisor. In the event that a family emergency (serious illness, injury, or death) necessitates that the employee return home, travel time will be paid at the applicable rate.

3. HOURS OF WORK

3.1 Regardless of the employee's regular schedule, the schedule for training days will be Monday through Friday, 8:00 a.m. to 4:15 p.m. with thirty (30) minutes for lunch. Adjustments to this schedule may be made by the Training Center to accommodate special circumstances.

3.2 Employees will be provided lunch as close as practical to noon on training days, however it will be no earlier than 11:00 a.m. and no later than 1:00 p.m. Employees will not be entitled to overtime or meal money if the lunch period starts at other than noon.

4. OVERTIME

4.1 Minor amounts of time (report a little early or stay a little late) to accommodate training needs will not be eligible for overtime compensation. Employees will not be forced to do so and it is understood that this provision will not result in an employee exceeding forty (40) hours of straight time for that week.

4.2 To enhance the employee's training experience it is imperative that they be well-rested and alert. As a result, it is neither the desire nor the intent of the parties to have employees attend training at other than their straight time rate of pay. Therefore, employees will remove themselves from the overtime callout list prior to leaving work on their last regular work day, or remove themselves from an overtime assignment, for a consecutive period of eight (8) hours plus appropriate travel time prior to the starting time for training unless the Company declares an all-out emergency which requires that the employee be removed from training.

4.3 An employee held over past the regularly scheduled conclusion of training for safety reasons (hazardous weather such as road conditions, heavy rain, tornado warnings, etc.) will not be eligible for overtime during the delay. However, the Company will continue to cover business expenditures as outlined in Sections 1.1 and 2.1 (above) until such time as it is safe for the employee to travel.

Agreed upon by the parties hereto this 30th day of June, 2000.

For the Unions:

For the Company:

Ronald D. Shevlin

Twelve Counties

Veta G. Rudolph

Labor Relations Consultant

David DeGonia

Fitters Local 360

Ronald D. Pate

Senior Director - Gas Delivery

Glyn Ramage

Labors Local 100

Bill Adnan

Fitters Local 101

Rick D. Schewe

Labors Local 459

ADDENDUM D
SYSTEMS FLEXIBILITY AGREEMENT
June 30, 2000

In recognition of the trust that has developed between the Company and the Unions over the years of negotiating and jointly solving problems;

Recognizing the spirit of cooperation that has resulted from this trust;

Recognizing the importance of all parties dealing with the customer needs and fostering a competitive work environment;

Recognizing the Company's need to make prudent business decisions;

Recognizing the Unions' desire to maintain a secure, stable, and productive work force;

The parties agree that flexibility of work assignments and personnel placement will be achieved by:

1. Creating a Systems work force of six (6) employees consisting of one (1) employee each from Locals 100, 101, 360, 459, and two (2) employees from Twelve Counties.
2. The position of Metro-East Systems Crew shall be established at the hourly rate of \$23.53. The successful bidder for this position shall be determined based on Company seniority.
3. Once this operation is initiated it shall run on a continuous basis (minimum of one (1) year) unless the operation fails to meet needs of operations.
4. The Company shall designate a supervisor at each operations location who shall oversee and direct this operation.
5. The weekly schedule for employees working under this agreement shall be 6:30 a.m. to 5:00 p.m. with a 30 minute unpaid lunch period at 12:00 noon on Wednesday through Friday and 6:30 a.m. to 4:30 p.m. on Saturday with a floating lunch period which shall not exceed thirty (30) minutes.
6. It is not the intent of the parties that this provision conflict with the intent of the Metro Gas Construction agreement. Therefore, the Company will consult with the appropriate General Foreman before using this agreement to perform work normally assigned to Illinois Power gas construction crews.
7. While this provision establishes a method for matching available resources to work load within the Metro area (Belleville, East St. Louis, Maryville), it will not be used to advantage one union over another.
8. There shall be no limitation on the type of work assigned to employees under this provision except as set forth above.
9. The Hillsboro area and Mt. Clare area are not included in this agreement at this time (i.e. employees working under this agreement shall not perform work in these two areas.).

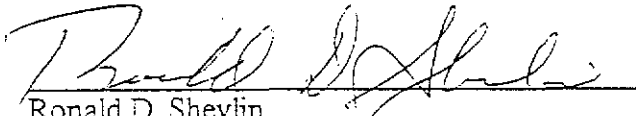
10. Items included in the Metro Area Gas Construction Agreement (Addendum A) that are pertinent to running this operation can be included by inference.

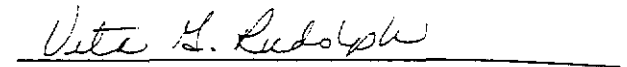
11. It is further agreed that the parties will meet at the request of any party hereto to address any issues that may arise in the course of exercising this agreement.

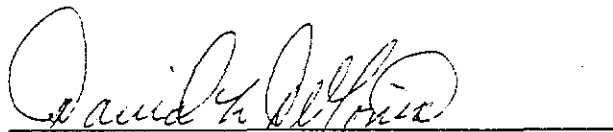
Agreed upon by the parties hereto this 30th day of June, 2000.

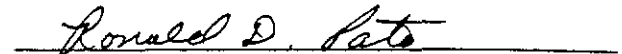
For the Unions:

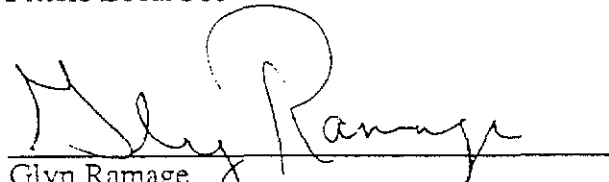
For the Company:

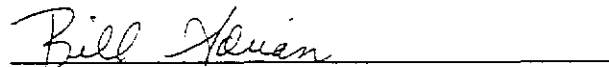

Ronald D. Shevlin
Twelve Counties

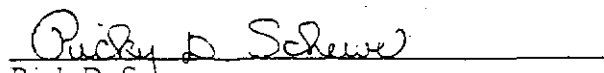

Veta G. Rudolph
Labor Relations Consultant


David DeGonia
Fitters Local 360


Ronald D. Pate
Senior Director - Gas Delivery


Glyn Ramage
Laborers Local 100


Bill Adrian
Fitters Local 101


Rick D. Schewe
Laborers Local 459

AGREEMENT

Between

ILLINOIS POWER COMPANY

and

TWELVE COUNTIES

SOUTHWESTERN ILLINOIS DISTRICT COUNCIL

OF THE

LABORERS INTERNATIONAL UNION OF NORTH AMERICA,

AND ITS AFFILIATED LOCALS IN THE

GRANITE CITY AND HILLSBORO SERVICE AREAS

(Effective July 1, 2000 through June 30, 2004)

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PART I

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This agreement, made and entered into this 21st day of August, 2000 by and between Illinois Power Company, party of the first part, hereinafter referred to as the "Company;" and Twelve Counties Southwestern Illinois District Council of the Laborers International Union of North America, and its affiliated Local Unions in the Company's Granite City and Hillsboro Service Areas, parties of the second part, hereinafter referred to as the "Union."

PART I

ARTICLE I COMPANY - UNION RESPONSIBILITY

Section 1. WITNESSETH:

(a) WHEREAS, the Company is engaged in furnishing an essential public service which vitally affects the health, safety, comfort and general well being of a large number of people in the many communities furnished gas service by the Company, and

(b) WHEREAS, the very existence of the Company is conditioned upon carrying out its obligations and responsibilities to the public served, and

(c) WHEREAS, this responsibility to the public is a mutual responsibility of employees and management which requires that any disputes arising between the employees and management be settled in an orderly way without interruption of gas service, and

(d) WHEREAS, both parties to this agreement hereby recognize this mutual responsibility of service to the public.

(e) NOW, THEREFORE, in furtherance of harmonious relations among employees, the management and the public, it is mutually agreed by the parties hereto that there shall be no strike or lockout during the term of this agreement and this mutually agreed covenant shall continue through the future relations between the parties hereto. It is further mutually agreed by the parties hereto that in connection with the negotiations for the renewal of this contract, in case terms and conditions for its renewal have not been successfully concluded prior to the expiration date of same, the Union agrees that in case of emergency, such as leaks, broken mains or services, that the members of said union shall promptly do all work under their jurisdiction to restore service to consumers' premises.

(f) The parties agree that there shall be no strike, lockout, or impasse declared prior to occurrence of three (3) separate negotiating sessions which include the presence of a Federal Mediator.

All work performed after expiration date of this or any subsequent Agreement shall be paid retroactive from date of expiration of last Agreement at new rates, including appropriate fringe benefits agreed upon, provided the Agreement is ratified within sixty (60) days of said expiration unless mutually agreed otherwise.

Section 2. It is recognized by the parties hereto that in the operation of the gas property of the Company, on account of the responsibility to at all times furnish a safe and adequate supply of gas to the various cities and vicinities, and their inhabitants, that there can be no division of this responsibility, and it is agreed that the Company, therefore, must be unhampered in the selection of its employees.

Section 3. The Union agrees that its officers and members will live up to the Company's rules and regulations in the interests of safety, economy and continuity of service to the public.

The Union will not engage in subterfuge for purpose of defeating or evading the provisions of this agreement.

Section 4. It is expressly agreed that the Company during the term of this agreement, and supplemental renewals, will make no agreement with any other Union or organization covering the classifications of work provided for herein.

Section 5. The Union and Company agree to continue their policies prohibiting discrimination or harassment against any employee because of his or her race, color, religion, sex, national origin, marital status, type of military discharge, veteran status, citizenship, physical or mental disability, or age. Wherever in the Agreement the term "his" appears in reference to an employee or the use of the word "man" in any title such as journeyman, it shall be deemed to include both male and female.

Section 6. Any provision of this agreement found by either party to be in conflict with State or Federal Statutes shall be suspended when such conflict occurs and such provision may immediately thereafter be reopened for amendment to remove such conflict.

Section 7. It is the intent of the parties hereto that an entity which becomes a legal successor to the Company shall have the duty to bargain with the Union representing the Company's employees in the units covered herein to the extent consistent with requirements of the National Labor Relations Act.

ARTICLE II UNION RECOGNITION

Section 1. The Company recognizes the Union as representative of its members and agrees to bargain collectively with the properly constituted and proven representatives of the Union on matters affecting its membership.

Section 2. All present employees of the Company who are members of the Union on the date of execution of this agreement shall remain members of the union during the term of this agreement as a condition of continued employment subject to the provisions contained in Section 8 (a) (3) and Section 8 (b) (2) of the National Labor Relations Act as amended (1947). All other present employees shall, as a condition of employment, make application for and remain members of the Union within thirty (30) days following the effective date of this agreement and shall maintain such membership in good standing during the term of this agreement subject to the provisions contained in Section 8 (a) (3) and Section 8 (b) (2) of the NLRA as amended (1947). All new employees shall, as a condition of employment, apply for membership in the Union within thirty (30) days after hire or date of execution of this agreement, whichever is later, and shall maintain membership in good standing in the Union thereafter subject to the provisions contained in Section 8 (a) (3) and Section 8 (b) (2) of the NLRA as amended (1947). Effective July 1, 1987, the term "Union" as used in Article II, Section 2 shall be clarified to refer to the particular member Local of the TWELVE COUNTIES SOUTHWESTERN ILLINOIS DISTRICT COUNCIL OF THE LABORERS INTERNATIONAL UNION OF NORTH

AMERICA which makes the initial referral of the employee to the Company under Article III of the Agreement.

Section 3. The Company recognizes the Union as the representative of all building and common laborers in its employ.

Section 4. If any lesser number of days is established as a minimum requirement for acquisition of membership by Federal Statute under a union security clause, such lesser number of days shall apply and be substituted herein above.

ARTICLE III HIRING - NUMBER OF EMPLOYEES

Section 1. In order that the Company shall have a competent working force and to promote efficiency and safety of operation, the Company and the Union agree that:

(a) The Union will maintain a list of persons available for employment.

(b) The Company shall request the Union to refer applicants as required and shall not solicit applicants directly and shall not in any manner circumvent the Union in the recruitment of applicants for employment.

(c) The Company in requesting referral of applicants shall specify to the Union (a) the number of applicants to be employed, (b) the work to be performed, (c) the location of the project, (d) the nature of the work, (e) such additional information as is deemed pertinent by the Company in order to enable the Union to make proper referral of applicants.

(d) The Union will not discriminate either in the maintenance of its list or in its referrals for employment against any person because of his membership or non-membership in the Union. Selection of applicants for referral shall not be based on, or in any way affected by, union membership, by-laws, rules, regulations, constitutional provisions, or any other aspect or obligations of union membership policies or requirements.

(e) The Union shall refer to the Company such applicants as are competent to fulfill the requirements of the position sought to be filled commensurate with rotation of registrants and who have acquired experience and possess the requisite skills for fulfillment of the vacant positions as specified by the Company.

(f) No supervisor in the employ of Company who holds Union membership shall be bound or in any way affected in the performance of his duty for the Company, including hiring, by any obligation of Union membership, by-laws, rules and regulations or the constitution of the local or International Union.

(g) The provisions of this Article shall be posted by the Company at its premises where notices to employees and applicants for employment are customarily posted and shall be posted by the Union at its offices where notices to applicants for referral are customarily posted.

Section 2. The Company reserves and shall have the right to accept or reject, to employ or not to employ, any person furnished by the Union, or to discharge for cause any employee who has been accepted but who subsequently proves unsatisfactory to the Company.

Section 3. The Company shall be the sole judge of, and have the right to determine the number of employees required on any job, or any portion of the work being done by the Company. There shall be no restriction as to the use of machinery, tools or appliances.

Section 4. New employees, or temporary employees whose seniority has been terminated, shall serve a six (6) continuous months probationary period with the Utility and during such period the Utility shall have the right to discharge for cause.

ARTICLE IV JURISDICTION

Section 1. The jurisdiction of this agreement shall include all gas property in the Granite City and Hillsboro Service Areas served by the Company.

Section 2. All employees engaged on all gas service work, the renewal and new construction of gas services and mains, the use of all cutting torches and other welding equipment, the making of all joints by any mode or method of all work covered by this Agreement, meter work, excavating and boring, back filling, tamping, breaking of streets, walks, ways and tunnels by hand or power, replacing of concrete, brick, asphalt, cleaning of streets, placing of barricades, filling and placing of lanterns, loading, unloading, and distributing of all materials pertaining to gas departments, the operation of all automobiles or trucks and other power driven vehicles incidental to the work engaged upon, the cleaning and cutting of weeds and grass around the Company's premises, and all other work pertaining to gas Utility, shall be paid at the rates given in Article V, of this agreement.

Note: It is understood that the unloading of Gas Department materials into the receiving department does not include the Granite City Storeroom.

Section 3. This Agreement shall exclude supervisory employees, clerical forces, meter readers, plant guards and professional employees as defined in the Labor Management Relations Act 1947.

Section 4. The Union recognizes the Company's need to make prudent business decisions. The Company recognizes that the integrity of the bargaining unit should be preserved to the extent possible. The parties also realize that the utilization of gas contractors impacts the level of job security felt by our employees. As a result of this joint recognition, the parties agree that it is preferable to perform gas department work with the Company's employees provided they can perform the necessary work safely and in a competitive manner.

Based on this fundamental premise, the Company will endeavor to prudently administer the use of gas contractors and the Union will continue their endeavors to achieve a competitive work environment. The parties recognize, however, that there are instances when the best business decision is to utilize gas contractors. However, it is the intent of the parties that reasonable notice shall be given to the Union prior to contracting work that has not traditionally been contracted or which would impact the employment status of existing employees to allow the parties an opportunity to discuss alternatives.

Adherence to this philosophy by both parties will eliminate any legitimate employee fears regarding the use of contractors to perform gas department work. The Union further agrees to

meet jointly with the Company and any other labor union(s) to discuss the subject of interchangeability at the Company's request.

Section 5. The inclusion of LIUNA Local 397 in this agreement eliminates any jurisdictional boundaries that may have existed heretofore.

ARTICLE V CLASSIFICATIONS - RATES OF PAY - PAYDAYS

Section 1. Employees in each Service Area covered by this agreement shall be paid in accordance with the following:

HILLSBORO AND GRANITE CITY SERVICE AREAS **GAS DEPARTMENT**

Occ.		1/1/00	7/1/01	7/1/02	7/1/03
Code		Hourly	Hourly	Hourly	Hourly
No.	Classification	Rate	Rate	Rate	Rate
03660	Gas Foreman	\$24.33	\$25.18	\$25.94	Reopener
23140	Gas Emergency Troubleman	\$23.90	\$24.74	\$25.48	Reopener
10700	Gas Leadman	\$23.77	\$24.60	\$25.34	Reopener
06890	Gas Regulator Repairman	\$24.33	\$25.18	\$25.94	Reopener
04370	Gas Journeyman	\$22.73	\$23.53	\$24.24	Reopener
12560	*Gas Apprentice 4th Step (95%)	\$21.60	\$22.35	\$23.03	Reopener
12550	Gas Apprentice 3rd Step (92½%)	\$21.03	\$21.77	\$22.42	Reopener
12540	Gas Apprentice 2nd Step (89%)	\$20.23	\$20.94	\$21.57	Reopener
12530	Gas Apprentice 1st Step (86¼%)	\$19.60	\$20.29	\$20.91	Reopener

MISCELLANEOUS DEPARTMENT

05020	Meter Changer	\$20.00	\$20.70	\$21.32	Reopener
09630	Utilityman	\$19.43	\$20.11	\$20.71	Reopener

*A Gas Apprentice 4th Step will not be promoted to a Gas Journeyman until he successfully completes the leadership training.

Individuals in the Utilityman classification will be offered the opportunity, based on Company seniority, to enter the Gas Apprentice Program before said opportunity is offered to outside candidates.

All employees will perform all duties within their abilities.

The one-man trucks will be operated based on the needs of service and will be assigned to the senior qualified Gas Journeyman.

A step progression with an 1100 working hour period basis per step applies per the Gas Apprenticeship Training Program Agreement identified in Addendum B.

Employees who are PCN'd Gas Servicemen as of June 30, 1991, that are removed from their one-man truck assignment by the Company, shall be given first choice, regardless of seniority, to return to a one-man truck in the future. Employees who leave the one-man truck assignment voluntarily or refuse an offer to return will forfeit this preferred status.

Section 2. The parties agree that the Meter Changer classification in the Miscellaneous Department will perform, interchangeably with the Meter Changers of IBEW Local 309, all duties necessary to do the entire customer service function at Illinois Power. These duties shall include, but not be limited to, locks, unlocks, meter readings, and theft of service checks. This does not include the repair of gas leaks and appliances.

If an employee in the Meter Changer classification is temporarily assigned work in a lower paid classification, he will suffer no reduction in pay. If he is temporarily assigned work in a higher paid classification, he will receive the next higher rate of pay under the conditions set forth in Part II, Article VI, Section 2.

The Company will endeavor to equalize the number of Meter Changer positions between IBEW Local 309 and Twelve Counties Southwestern District Council.

Section 3. Employees will be paid every other Friday for the two-week period ending five days prior to pay day and when pay day falls on a holiday, employees will be paid the previous day.

ARTICLE VI LAYOFF - RECALL - FILLING OF VACANCIES

Section 1. When making reductions in forces, employees most recently hired shall be laid off first, provided the employees to be retained have the necessary qualifications for the particular proposed employment.

Section 2. Employees laid off because a job is completed or shut down for reasons beyond the Company's control shall be given two (2) weeks notice and paid in full to the date of layoff.

Section 3. When adding to forces, employees most recently laid off shall be the first re-employed provided:

- a) They are available and qualified to perform the work required at the time of recall.
- b) They have been previously employed by the Company for a continuous three-month period.
- c) They have not been on layoff for a period of more than two (2) years.

Section 4. Employees laid off because of lack of work, or for similar reasons beyond their control, and re-employed within two (2) years shall have their seniority rights restored as of the date they were laid off.

Section 5. When a vacancy or new position is to be filled, the company shall post a notice on the bulletin boards in the individual headquarters within the affected service area. This notice shall be posted for a period of five (5) working days and shall specify the job classification, rate of pay and the name of the Company Supervisor whom employees may contact about this job. Bids for the posted position must be made by an employee during the five (5) day period of the posting. Employees covered by this agreement who are members of LIUNA Local 397 will begin accruing seniority in Maryville effective 7/1/97. The seniority order of these employees in Maryville will be determined by their accumulated Granite City seniority.

Employees who have accumulated seniority in Granite City will be given first priority when filling vacancies in the Granite City headquarters. Employees who have accumulated seniority in River Bend will be given first priority when filling vacancies in the River Bend headquarters. Employees covered by this agreement who have accumulated seniority in River Bend will begin accruing seniority in Maryville effective 1/1/00.

Section 6. Promotions and filling of vacancies shall be based on ability, qualifications and seniority. Ability and qualifications of employees under consideration being sufficient, seniority shall govern. In temporary situations when the Gas Leadman is absent for five or more working days this will be handled within the affected headquarters in accordance with the above. Filling vacancies (bids and temporary assignments) in Leadership positions (Leadman, Foreman) after 12/4/97 will be based on an objective review of ability and qualifications. Ability and qualifications include, but are not limited to, safety record, leadership experience, above average individual performance, range of experience, and employee desire. If two or more employees are equal in ability and qualifications, seniority shall prevail. The Company shall not be required to consider a journeyman for promotion to higher-rated positions until they have worked for the Company in the journeyman classification for at least three (3) years. This does not restrict the Company's right to temporarily assign work to any qualified employee.

Employees interested in leadership positions must successfully complete the leadman skills evaluation every two (2) years. This evaluation will be offered one (1) time annually. Employees in leadership positions on 12/4/97 will be excluded from this provision unless they seek another leadership position.

Section 7. An employee promoted to a new position shall be given a reasonable opportunity, not to exceed 6 months, to demonstrate his qualifications and ability. If he does not qualify, he and the Local Union shall be notified of the nature of his disqualification and he shall be returned to the position he formerly held. An employee so promoted may also request to be returned to his former job, provided such request is made within the six (6) month period.

Section 8. Employees who are eligible to bid on a job which is posted and who are absent because of vacation, sick leave or other excused absence shall be considered to have bid on such job provided the job would result in a promotion. (This shall not apply to employees on military leaves of absence). Any such absent employee who is entitled to the job on the basis of this bid procedure must be available for work on that job within a reasonable period of time after the Company awards him the job, or the Company shall be free to award the job to another eligible bidder.

Section 9. It is further understood any employee entering military service or conscripted for defense work may return to his job provided that he presents a certificate of satisfactory completion of his service, re-applies for work within the statutory limit after such completion and is physically fit to be restored to his position. If disabled or incapacitated in any way, the returning employee's case will be considered individually at that time.

ARTICLE VII MULTI-SKILLED CREWS

Section 1. The Company and Union agree that multi-skilled crews consisting of one qualified electric journeyman and one qualified gas journeyman may be used to install residential underground electric and gas services where both utilities are being installed on the same property at the same time. The parties agree that they will assist each other in the expedient performance of work to the extent that it can be done safely. Employees working on multi-skilled crews will receive the basic training necessary to assist each other in performing the assigned work. The beginning point on electrical service work will be limited to pedestals and pad-mount transformers.

Electric and gas department journeymen will express their interest annually (posted for seven (7) days) in being assigned to these crews when needed. If no journeymen express interest in this work, the least senior journeymen in the appropriate department will be trained and assigned to this crew. By expressing interest or being assigned, the employee is committed to work on this crew as needed for one (1) year, unless he moves to another position or department which is not eligible for this work. Training and assignments will be made from this interest list based on department seniority.

Once assignments are made, they will remain in effect unless there is an absence or vacancy on the crew which the Company desires to fill. Assignments will last a minimum of five (5) consecutive work days, except that the five (5) day minimum does not apply to employees who fill in on this crew. Electric and Gas Department employees will have the same hours of work while actually working on this crew. While the multi-skilled crew is operating, employees working on multi-skilled crews will be PCN'd such that they will receive the equivalent of their respective Foreman's rate. When these crews encounter situations that require additional help, it will be provided.

This agreement may be modified to include work other than services if mutually agreed to by the Company and Union(s) involved.

PART II
COMMON LANGUAGE
TWELVE COUNTIES, LOCAL 100, LOCAL 101, LOCAL 360, and LOCAL 459

ARTICLE I HOLIDAYS

Section 1. Regular holidays under this agreement shall be: New Year's Day, President's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Day, Christmas Eve Day (Christmas Eve will be celebrated on the last regularly scheduled work day before the day on which Christmas is celebrated as a holiday by the Company), and the Employee's birthday.

Section 2. Employees under this agreement shall receive eight (8) straight time hours pay for each of the above listed holidays.

Section 3. The employee's birthday holiday may be celebrated under one of the following options:

- a) On the actual day under the same provisions that govern the celebration of other holidays.
- b) The holiday will be scheduled to tie into a vacation period. Scheduling of this option is subject to the needs of the service, and is to be completed by December 31st each year for the next calendar year.
- c) If an employee's birthday falls on a holiday and is not rescheduled under option (b) above, the employee will be paid eight hours pay.
- d) An employee may use their birthday holiday as an additional individual vacation day.

Section 4. When a holiday under this Agreement falls on a Saturday, the previous Friday shall be observed as the holiday and when a holiday falls on a Sunday the following Monday shall be observed as the holiday. (Christmas Eve will be celebrated on the last regularly scheduled work day before the day on which Christmas is celebrated as a holiday by the Company).

Section 5. Employees (exclusive of shift workers) whose work week is Tuesday to Saturday inclusive shall be off duty the day following the holiday which is celebrated on Monday. When a holiday falls on Monday, they shall celebrate the holiday on Monday and receive holiday pay for that day and Tuesday shall be their normal day off. When a calendar holiday falls on Friday or Saturday, employees whose work week is Tuesday to Saturday inclusive shall be off duty the day of the calendar holiday.

Section 6. Straight time holiday pay shall be lost under the following conditions:

- (a) Failure to work on a holiday which falls within the employee's normally scheduled work week if not excused.
- (b) Failure to work the regularly scheduled day before or the regularly scheduled day after the holiday unless excused.

ARTICLE II VACATION

Section 1. All employees covered hereunder who have worked six (6) continuous months for the Company shall then accrue vacation credit for time worked on the following basis:

- 1 year - 10 working days (80 hours)
- 5 years - 15 working days (120 hours)
- 7 years - 16 working days (128 hours)
- 9 years - 17 working days (136 hours)
- 11 years - 18 working days (144 hours)
- 13 years - 19 working days (152 hours)
- 15 years - 20 working days (160 hours)
- 21 years - 21 working days (168 hours)
- 22 years - 22 working days (176 hours)
- 23 years - 25 working days (200 hours)
- 30 years and over - 30 working days (240 hours)

It is further understood that the term "day" refers to the eight or ten hour daily schedule normally worked by that employee. Employees who have accrued vacation credit of ten (10) or more working days will be allowed to schedule their vacation any time during the vacation year in which the accrual occurs in accordance with Section 8 below.

Section 2. The vacation year shall be from January 1 to and including the following December 31.

Section 3. Employees shall not accumulate vacation time from one vacation year to another except that employees who are entitled to more than five (5) days of vacation in a vacation year may elect to carryover a maximum of ten (10) days of vacation to the next vacation year. Employees must notify local management during October as to the number of vacation days they wish to carryover to the next year. An employee may cancel all or part of their vacation carryover with management approval.

Section 4. Holidays shall be considered a working day for vacation scheduling purposes but shall not be considered a vacation day.

Section 5. Employees who are entitled to an annual vacation can use up to ten (10) of their earned days as ten (10) individual vacation days. When employees have earned more than ten (10) vacation days they will schedule those additional days in consecutive periods of no less than five (5) working days. For purposes of administration, employees may take their individual vacation days under the following circumstances:

- (1) Needs of the service must always be met.
- (2) Scheduled vacation periods (5 or more days) will always be given preference over individual days.
- (3) Reasonable notice for time off must be given.
- (4) Individual vacation days should normally be used, if available, prior to using unpaid absence.

(It is understood that these changes are not intended to change the general administration of vacation.)

In addition, employees may take up to forty (40) hours of their ten (10) individual vacation days per year in half day increments under the following terms:

- (1) Requests must be made at least 24 hours in advance.
- (2) A half day is $\frac{1}{2}$ of your regularly scheduled work day.
- (3) Half days and individual days will be administered the same.
- (4) Granting of half-day vacations or unpaid time off is entirely at management's discretion and is not subject to the grievance procedure.

Section 6. When an employee is laid off or resigns, he shall receive the vacation earned prior to January 1 and pro rata vacation pay from his anniversary date to the termination date. Employees terminating for reasons of death or retirement will continue to receive pro rata vacation from January 1 to the termination date.

Section 7. Employees who have been laid off shall not lose their status in determining vacation rights until they have been out of the service three (3) years.

Section 8. Prior to January 1 of each calendar year department heads will consult with all employees entitled to vacation and from such consultation the Company shall establish and post before the above date on departmental bulletin boards a working schedule for vacation periods. In determining vacation schedules, the wishes of the employees will be respected as to the time of taking his vacation insofar as the needs of the service will permit. Although vacation time is earned according to length of continuous Company service, it shall be assigned according to length of Company service within each department (Systems, Construction, Miscellaneous).

ARTICLE III PAID ABSENCE TIME

Section 1. An employee will be allowed three (3) consecutive working days of Funeral Leave with pay in the event of a death in his immediate family; namely father, mother, father-in-law, mother-in-law, spouse, son, daughter, brother and sister. If the call is received while at work, the following day will be counted as the first day and the employee will receive straight time pay for the remainder of the basic work day.

An employee will be allowed one (1) day of Funeral Leave with pay to attend the funeral of his grandfather, grandmother, or grandchild. An employee will be allowed one (1) day of Funeral Leave with pay to attend the funeral of his step-child provided he/she was the parent who raised the child. When an employee is requested by the family to serve as pallbearer for a deceased employee or deceased retired employee he shall be permitted to be absent without loss of pay not to exceed one (1) day.

Section 2. An employee performing jury service during his regularly scheduled hours shall do so without loss of pay and shall remit all fees for such service to the Company.

Section 3. An employee who is injured during and in the course of his employment with the Company and is eligible for Workmen's Compensation for temporary total incapacity for work in accordance with Workmen's Compensation Act, Section 8, shall receive from the Company the